



7020-02

## INTERNATIONAL TRADE COMMISSION

### Investigation No. 332-567

#### Generalized System of Preferences: Possible Modifications, 2017 Review

**AGENCY:** United States International Trade Commission.

**ACTION:** Notice of institution of investigation and scheduling of public hearing.

**SUMMARY:** Following receipt of a request on May 18, 2018, from the United States Trade Representative (USTR), the U.S. International Trade Commission (Commission) instituted investigation No. 332–567, *Generalized System of Preferences: Possible Modifications, 2017 Review*, for the purpose of providing advice and information relating to the possible designation of additional articles, removal of articles, waiver of competitive need limitations, redesignation of articles, and denial of a de minimis waiver.

**DATES:**

June 4, 2018: Deadline for filing requests to appear at the public hearing.

June 7, 2018: Deadline for filing pre-hearing briefs and statements.

June 14, 2018: Public hearing.

June 21, 2018: Deadline for filing post-hearing briefs and statements.

June 21, 2018: Deadline for filing all other written submissions.

September 7, 2018: Transmittal of Commission report to the USTR.

**ADDRESSES:** All Commission offices, including the Commission’s hearing rooms, are located in the United States International Trade Commission Building, 500 E Street SW, Washington, DC. All written submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436. The public record for this investigation may be viewed on the Commission’s electronic docket (EDIS) at <https://edis.usitc.gov>.

**FOR FURTHER INFORMATION CONTACT:** Information specific to this investigation may be obtained from Sabina Neumann, Project Leader, Office of Industries (202–205–3000 or [sabina.neumann@usitc.gov](mailto:sabina.neumann@usitc.gov)), Mark Brininstool, Deputy Project Leader, Office of Industries (202–708-1395 or [mark.brininstool@usitc.gov](mailto:mark.brininstool@usitc.gov)), or Marin Weaver, Technical Advisor, Office of Industries (202-205-3461 or [marin.weaver@usitc.gov](mailto:marin.weaver@usitc.gov)). For information on the legal aspects of this investigation, contact William Gearhart of the Commission’s Office of the General Counsel (202–205–3091 or [william.gearhart@usitc.gov](mailto:william.gearhart@usitc.gov) ). The media should contact Margaret O’Laughlin, Office of External Relations (202–205–1819 or [margaret.olaughlin@usitc.gov](mailto:margaret.olaughlin@usitc.gov)). Hearing-impaired individuals may obtain information on this matter by contacting the Commission’s TDD terminal at 202–205–1810. General information concerning the Commission may also be obtained by accessing its Web site (<http://www.usitc.gov>). Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000.

**BACKGROUND:** In his letter, the USTR requested the advice and information described below.

*(1) Advice concerning the probable economic effect of elimination of U.S. import duties on certain articles from all beneficiary developing countries under the GSP program.* In accordance with sections 503(a)(1)(A), 503(e), and 131(a) of the Trade Act of 1974, as amended ("the 1974 Act") and pursuant to the authority of the President delegated to the USTR by sections 4(c) and 8(c) and (d) of Executive Order 11846 of March 31, 1975, as amended, and pursuant to section 332(g) of the Tariff Act of 1930, the USTR notified the Commission that the articles identified in Table A of the Annex to the USTR request letter are being considered for designation as eligible articles for purposes of the GSP program. The USTR requested that the Commission provide its advice as to the probable economic effect on total U.S. imports, U.S. industries producing like or directly competitive articles, and on U.S. consumers of the elimination of U.S. import duties on the articles identified in Table A of the Annex to the USTR request letter for all beneficiary developing countries under the GSP program (see Table A below).

**Table A: Petitions submitted for products to be considered for addition to the list of GSP-eligible products**

<b>HTS Subheading</b>	<b>Brief Description</b>	<b>Countries</b>
0808.30.40	Pears, fresh, if entered during the period from July 1 through the following March 31, inclusive	Beneficiary Developing Countries
0814.00.80	Peel of citrus fruit, excl. orange or citron and peel, nesi, of melon, fresh, frozen, dried or provisionally preserved	Beneficiary Developing Countries
1207.29.00	Cotton seeds, whether or not broken, other than seed for sowing	Beneficiary Developing Countries
1512.11.00	Sunflower-seed or safflower oil, crude, and their fractions, whether or not refined, not chemically modified	Beneficiary Developing Countries
2008.99.05	Apples, otherwise prepared or preserved, nesi	Beneficiary Developing Countries
2918.99.05	p-Anisic acid; clofibrate and 3-phenoxybenzoic acid	Beneficiary Developing Countries
2918.99.43	Aromatic carboxylic acids with additional oxygen function and their anhydrides, halide, etc deriv described in add US note 3 to sect VI, nesi	Beneficiary Developing Countries
2918.99.47	Other aromatic carboxylic acids with additional oxygen function and their anhydrides, halide, etc deriv (excluding goods in add US note 3 to sec VI)	Beneficiary Developing Countries
4010.33.30	Transmission V-belts of vulcanized rubber, V-ribbed, circumference exceeding 180 cm but not exceeding 240 cm, combined with textile materials	Beneficiary Developing Countries

*(2) Advice concerning the probable economic effect of removal of certain articles from certain countries from eligibility for duty-free treatment.* The USTR notified the Commission that two articles are being considered for removal from eligibility for duty free treatment under the GSP program from certain countries. Under authority delegated by the President, pursuant to section 332(g) of the Tariff Act of 1930, with respect to the article listed in Table B of the Annex to the USTR request letter, the USTR requested that the Commission provide its advice as to the probable economic effect of the removal from eligibility for duty-free treatment under the GSP program for these articles from certain countries on total U.S. imports, U.S. industries producing like or directly competitive articles, and on U.S.

consumers (see Table B below).

**Table B: Petitions submitted to remove duty-free status from certain countries for a product on the list of eligible articles for the Generalized System of Preferences**

HTS Subheading	Brief Description	Country
2009.89.6011 and 2009.89.6019	Cherry juice – Part of 2009.89.60 “Juice of any other single fruit, nesoi”	Turkey
3920.51.50	Nonadhesive plates, sheets, film, foil and strip, noncellular, not combined with other materials, of polymethyl methacrylate, not flexible	Indonesia and Thailand

(3) *Advice concerning waiver of certain competitive need limitations.* Under authority delegated by the President, pursuant to section 332(g) of the Tariff Act of 1930, and in accordance with section 503(d)(1)(A) of the 1974 Act, the USTR requested that the Commission provide advice on whether any industry in the United States is likely to be adversely affected by a waiver of the competitive need limitations (CNL) specified in section 503(c)(2)(A) of the 1974 Act for the countries and articles specified in Table C of the attached Annex to the request letter (see Table C below). The USTR also requested that the Commission provide its advice as to the probable economic effect on total U.S. imports, as well as on consumers, of the requested waivers. With respect to the competitive need limit in section 503(c)(2)(A)(i)(I) of the 1974 Act, the USTR requested that the Commission use the dollar value limit of \$180,000,000. Further, pursuant to section 332(g) of the Tariff Act of 1930 and in accordance with section 503(c)(2)(E) of the 1974 Act, the USTR requested that the Commission provide its advice with respect to whether a like or directly competitive article was produced in the United States in any of the preceding three calendar years.

**Table C: Petitions submitted for waiver of GSP CNLs**

HTS Subheading	Brief description	Country
0410.00.00	Edible products of animal origin, nesi	Indonesia
2836.91.00	Lithium carbonates	Argentina
3301.13.00	Essential oils of lemon	Argentina

6802.99.00	Monumental or building stone & arts. thereof, nesoi, further worked than simply cut/sawn, nesoi	Brazil
7202.50.00	Ferrosilicon chromium	Kazakhstan

(4) *Advice concerning redesignations.* The USTR notified the Commission that seven articles are being considered for redesignation as eligible articles for purposes of the GSP program. Under authority delegated by the President, pursuant to section 332(g) of the Tariff Act of 1930, the USTR requested that the Commission provide its advice as to the probable economic effect on total U.S. imports, on U.S. industries producing like or directly competitive articles, and on U.S. consumers of the elimination of U.S. import duties on the articles in Table D of the Annex to the USTR request letter from the listed beneficiary countries.

**Table D: Petitions submitted for redesignation of excluded items**

<b>HTS Subheading</b>	<b>Brief description</b>	<b>Country</b>
2007.99.48	Apple, quince and pear pastes and purees, being cooked preparations	Argentina
2306.30.00	Oilcake and other solid residues, resulting from the extraction of vegetable fats or oils, of sunflower seeds	Argentina
2841.90.20	Ammonium perrhenate	Kazakhstan
2909.50.40	Odoriferous or flavoring compounds of ether-phenols, ether-alcohol-phenols & their halogenated, sulfonated, nitrated, nitrosated derivatives	Indonesia
4107.11.80	Full grain unsplit whole bovine (not buffalo) nesoi and equine leather nesoi, w/o hair, prepared after tanning or crusting, fancy, not 4114	Argentina
6802.93.00	Monumental or building stone & arts. thereof, of granite, further worked than simply cut/sawn, nesoi	India
7202.93.80	Ferroniobium, nesoi	Brazil

(5) *Advice concerning redesignation and advice on whether a like or directly competitive domestic article was produced in any of the preceding three years.* The USTR notified the Commission that one article is being considered for redesignation as an eligible article for purposes of the GSP program. Under authority delegated by the President, pursuant to section 332(g) of the Tariff Act of 1930, the USTR requested that the Commission provide its advice as to the probable economic effect on total U.S.

imports, on U.S. industries producing like or directly competitive articles, and on U.S. consumers of the elimination of U.S. import duties on the articles in Table E of the Annex to the USTR request letter from the listed beneficiary countries. Further, pursuant to section 332(g) of the Tariff Act of 1930 and in accordance with section 503(c)(2)(E) of the 1974 Act, the USTR requested that the Commission provide its advice as to whether a like or directly competitive article was produced in the United States in any of the preceding three calendar years.

**Table E: Petition submitted for redesignation of excluded item**

<b>HTS Subheading</b>	<b>Brief description</b>	<b>Country</b>
4412.31.41 Including 4412.31.4150 and 4412.31.4160	Plywood sheets n/o 6mm thick, with specified tropical wood outer ply, with face ply nesoi, not surface covered beyond clear/transparent	Indonesia

*(6) Advice concerning denial of de minimis waiver.* The USTR notified the Commission that one article from a GSP beneficiary country is being considered for denial of a de minimis CNL waiver. Under authority delegated by the President, pursuant to section 332(g) of the Tariff Act of 1930, with respect to the article listed in Table F of the Annex to the USTR request letter, the USTR requested that the Commission provide its advice as to the probable economic effect of the removal from eligibility for duty-free treatment under the GSP program of this article from the specified country on total U.S. imports, on U.S. industries producing like or directly competitive articles, and on U.S. consumers. Further, pursuant to section 332(g) of the Tariff Act of 1930 and in accordance with section 503(c)(2)(E) of the 1974 Act, the USTR requested that the Commission provide its advice with respect to whether a like or directly competitive article was produced in the United States in any of the preceding three calendar years.

**Table F: Petition submitted for denial of de minimis waiver**

HTS Subheading	Brief Description	Country
3802.90.10	Bone black	Brazil

*Time for reporting, HTS detail, portions of report to be classified.* As requested by the USTR, the Commission will provide the requested advice and information by September 7, 2018. The USTR asked that the Commission issue, as soon as possible thereafter, a public version of the report containing only the unclassified information, with any confidential business information deleted. As requested, the Commission will provide its economic effect advice and statistics (profile of the U.S. industry and market and U.S. import and export data) and any other relevant information or advice separately and individually for each U.S. Harmonized Tariff Schedule subheading for all products subject to the request. The USTR indicated that those sections of the Commission's report and working papers that contain the Commission's advice and assessment will be classified as "confidential." The USTR also stated that his office considers the Commission's report to be an inter-agency memorandum that will contain pre-decisional advice and be subject to the deliberative process privilege.

**PUBLIC HEARING:** A public hearing in connection with this investigation will be held at the U.S. International Trade Commission Building, 500 E Street SW, Washington, DC, beginning at 9:30 a.m. on June 14, 2018. Requests to appear at the public hearing should be filed with the Secretary no later than 5:15 p.m., June 4, 2018. All pre-hearing briefs and statements should be filed no later than 5:15 p.m., June 7, 2018; and all post-hearing briefs and statements should be filed no later than 5:15 p.m., June 21, 2018. All requests to appear, and pre- and post-hearing briefs and statements should be filed in accordance with the requirements of the "written submissions" section below.

**WRITTEN SUBMISSIONS:** In lieu of or in addition to appearing at the hearing, interested parties are invited to file written submissions concerning this investigation. All written submissions should be addressed to the Secretary, and should be received not later than 5:15 p.m., June 21, 2018. All written

submissions must conform to the provisions of section 201.8 of the Commission's Rules of Practice and Procedure (19 CFR 201.8). Section 201.8 and the Commission's Handbook on Filing Procedures require that interested parties file documents electronically on or before the filing deadline and submit eight (8) true paper copies by 12:00 p.m. eastern time on the next business day. In the event that confidential treatment of a document is requested, interested parties must file, at the same time as the eight paper copies, at least four (4) additional true paper copies in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). Persons with questions regarding electronic filing should contact the Office of the Secretary, Docket Services Division (202-205-1802).

**CONFIDENTIAL BUSINESS INFORMATION:** Any submissions that contain confidential business information must also conform with the requirements of section 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). Section 201.6 of the rules requires that the cover of the document and the individual pages be clearly marked as to whether they are the "confidential" or "non-confidential" version, and that the confidential business information is clearly identified by means of brackets. All written submissions, except for confidential business information, will be made available for inspection by interested parties.

The Commission may include some or all of the confidential business information submitted in the course of this investigation in the report it sends to the USTR. Additionally, all information, including confidential business information, submitted in this investigation may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel (a) for cybersecurity purposes or (b) in monitoring user activity on U.S. government classified networks. The Commission will not



otherwise disclose any confidential business information in a manner that would reveal the operations of the firm supplying the information.

**SUMMARIES OF WRITTEN SUBMISSIONS:** The Commission intends to publish summaries of the positions of interested persons. Persons wishing to have a summary of their position included in the report should include a summary with their written submission. The summary may not exceed 500 words, should be in MSWord format or a format that can be easily converted to MSWord, and should not include any confidential business information. The summary will be published as provided if it meets these requirements and is germane to the subject matter of the investigation. The Commission will identify the name of the organization furnishing the summary and will include a link to the Commission's Electronic Document Information System (EDIS) where the full written submission can be found.

By order of the Commission.

Lisa Barton  
Secretary to the Commission

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